

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 CCO-00 /026 W

----- 118434

O P 171507Z FEB 76 ZFF6

FM USDEL SECRETARY IN CARACAS

TO USINFO WASHDC NIACT IMMEDIATE

INFO AMEMBASSY BOGOTA PRIORITY

AMEMBASSY BRASILIA PRIORITY

AMEMBASSY LIMA IMMEDIATE

AMCONGEN RIO DE JANEIRO PRIORITY

AMEMBASSY SAN JOSE PRIORITY

USIA WASHDC IMMEDIATE

SECSTATE WASHDC IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 6 SECTO 04005

EXDIS

STATE FOR S/PRS: PASS NSC FOR MR. SCOWCROFT AND WHITE HOUSE

FOR NESSEN; POSTS PASS SECRETARY'S PARTY; USINFO FOR IBS/PL
& IPS/PL; USIA FOR ILA & IOP

FOLLOWING MSG SENT ACTION SECSTATE 17 FEB 76, REPEATED
FOR YOUR ACTION/INFO:

C O N F I D E N T I A L SECTION 1 OF 6 SECTO 04005

EXDIS

FOR S/S, S/PRS AND S/P

E.O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY, A.), PFOR, VE

SUBJECT: SECRETARY'S SPEECH TO CARACAS SEMINAR

APPROVED TEXT FOLLOWS OF SPEECH SECRETARY WILL DELIVER BEFORE
CARACAS SEMINAR THIS AFTERNOON, FEBRUARY 17, AT 5:30 PM
LOCAL. TEXT SHOULD BE RELEASED AT DEPARTMENT'S NOON
BRIEFING BUT EMBARGOED UNTIL DELIVERY.

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BEGIN TEXT: QUOTE: ADDRESS BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE, AT THE US-VENEZUELAN SYMPOSIUM II, MACUTO, VENEZUELA, FEBRUARY 17, 1976.

I AM MOST PLEASED TO BE HERE TODAY, AT THE INVITATION OF PRESIDENT PEREZ. THIS SYMPOSIUM IS SYMBOLIC OF THE EFFORT OF OUR TWO NATIONS TO STRENGTHEN OUR TIES, AND TO CONSULT ON ISSUES OF DEEP CONCERN TO OUR TWO PEOPLES. I COME HERE NOT MERELY TO DEMONSTRATE MY COUNTRY'S INTEREST IN ITS RELATIONSHIPS WITH YOU, BUT TO ADDRESS WITH YOU THE GLOBAL CHALLENGES TO OUR COMMON FUTURE.

THE WESTERN HEMISPHERE HAS FOR CENTURIES SYMBOLIZED MAN'S READINESS TO GRASP HIS OWN DESTINY. WHEN I PLACED A WREATH AT THE TOMB OF SIMON BOLIVAR YESTERDAY, I RECALLED THE DEPTH OF HIS FAITH AND WONDER AT THE FUTURE OF THE AMERICAS. TODAY, MORE THAN A CENTURY LATER, THE PROMISE OF OUR HEMISPHERE IS MORE ALIVE THAN EVER -- AND MORE IMPORTANT TO EACH OF OUR COUNTRIES, AND TO THE WORLD.

TODAY I WANT TO DISCUSS WITH YOU THE CHALLENGES THAT HISTORY HAS POSED TO OUR HEMISPHERIC FRIENDSHIP, THE EFFORTS WE HAVE MADE IN THE RECENT PERIOD TO ADDRESS THESE CHALLENGES, AND THE COMPELLING RESPONSIBILITY WE FACE TODAY AND TOMORROW.

OUR SPECIAL RELATIONSHIP

I HAVE COME TO THIS CONTINENT BECAUSE THE UNITED STATES BELIEVES THAT LATIN AMERICA HAS A SPECIAL PLACE IN OUR FOREIGN POLICY.

THIS BELIEF IS THE PRODUCT OF HISTORY. WE WON OUR NATIONAL INDEPENDENCE TOGETHER IN THE SAME ERA. WE CONFRONTED THE SIMILAR CHALLENGES OF PIONEER PEOPLES DEVELOPING THE RESOURCES OF BOUNTIFUL UNEXPLORED CONTINENTS. WE SHAPED DEMOCRATIC INSTITUTIONS AND SPURRED ECONOMIC GROWTH, CONSCIOUS THAT WE BENEFITTED GREATLY FROM OUR RELATIONSHIP WITH EACH OTHER. WE HAVE LONG SHARED A COMMON INTEREST IN SHIELDING OUR HEMISPHERE FROM THE INTRUSION OF OTHERS. WE LED THE WORLD IN BUILDING INTERNATIONAL ORGANIZATIONS TO SERVE OUR COOPERATIVE ENDEAVORS FOR BOTH COLLECTIVE SECURITY AND ECONOMIC PROGRESS.

THE UNITED STATES HAS ALWAYS FELT WITH LATIN AMERICA A SPECIAL INTIMACY, A SPECIAL BOND OF COLLABORATION, EVEN IN THE CONFIDENTIAL

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PERIODS OF OUR ISOLATION FROM WORLD AFFAIRS. EVEN NOW, WHEN OUR COUNTRIES ARE MAJOR PARTICIPANTS IN WORLD AFFAIRS, WHEN OUR PERCEPTIONS OF CONTEMPORARY ISSUES ARE NOT ALWAYS IDENTICAL, THERE REMAINS A PARTICULAR WARMTH IN THE PERSONAL RELATIONSHIPS AMONG OUR LEADERS AND A SPECIAL READINESS TO CONSIDER THE VIEWS OF OUR NEIGHBORS. ON MANY ISSUES OF UNITED STATES POLICY -- ECONOMIC, POLITICAL OR SECURITY -- THE AMERICAN PEOPLE AND CONGRESS GIVE SPECIAL CONSIDERATION TO OUR HEMISPHERIC TIES.

THE PROBLEM WE FACE TODAY IS THAT HISTORY -- AND INDEED THE VERY GROWTH AND SUCCESS WE HAVE ALL ACHIEVED -- HAVE COMPLICATED OUR RELATIONSHIP. WHAT USED TO BE A SIMPLE PERCEPTION OF HEMISPHERIC UNIQUENESS, AND A SELF-CONTAINED EXCLUSIVE RELATIONSHIP, HAS BECOME ENMESHED IN THE WIDER CONCERNS WE ALL NOW HAVE IN THE REST OF THE WORLD.

-- THE UNITED STATES IS CONSCIOUS OF A GLOBAL RESPONSIBILITY TO MAINTAIN THE WORLD BALANCE OF POWER, TO HELP RESOLVE THE AGE-OLD POLITICAL CONFLICTS THAT UNDERMINE PEACE, AND TO HELP SHAPE A NEW INTERNATIONAL ORDER ENCOMPASSING THE INTERESTS AND ASPIRATIONS OF THE 150 NATIONS THAT NOW COMPRISE OUR PLANET. AND SO OUR VISION NOW REACHES BEYOND THE WESTERN HEMISPHERE. WE HAVE MAJOR ALLIANCES WITH THE ATLANTIC COMMUNITY AND JAPAN, AS WELL AS THIS HEMISPHERE; WE HAVE GROWING TIES OF FRIENDSHIP WITH MANY NATIONS. IN A NUCLEAR AGE, WE HAVE AN INESCAPABLE RESPONSIBILITY TO MANAGE AND STABILIZE OUR RELATIONS WITH THE MAJOR COMMUNIST POWERS, AND TO TRY TO BUILD A SAFE AND MORE CONSTRUCTIVE FUTURE. THE PROBLEM OF PEACE IN THIS GENERATION MEANS FOR US, THE UNITED STATES, A PERMANENT INVOLVEMENT IN WORLD AFFAIRS IN ALL THEIR DIMENSIONS -- MAINTAINING SECURITY, PROMOTING A HEALTHY TRADE AND MONETARY SYSTEM AND ECONOMIC DEVELOPMENT, AND CREATING A STABLE AND JUST AND UNIVERSAL SYSTEM OF POLITICAL RELATIONS.

-- AT THE SAME TIME, LATIN AMERICAN NATIONS HAVE GROWN IN POWER AND INFLUENCE AND BECOME MAJOR FORCES IN THEIR OWN RIGHT ON THE WORLD SCENE. THIS IS ONE OF THE MOST STRIKING EVENTS OF THIS ERA. YOUR ECONOMIES ARE AMONG THE MOST ADVANCED OF THE DEVELOPING WORLD. BUT YOUR ROLE IS NOT A PRODUCT OF ECONOMIC STRENGTH ALONE; ITS ROOTS ARE DEEPER --
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YOUR TRADITIONS OF PERSONAL AND NATIONAL DIGNITY, CONCERN FOR LEGAL PRINCIPLE, AND YOUR HISTORY OF PEACE. YOUR SENSE

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ACTION SS-25

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FM USDEL SECRETARY IN CARACAS

TO SECSTATE WASHDC IMMEDIATE

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EXDIS

FOR S/S, S/PRS AND S/P

AND A FROWING SENSE OF SOLIDARITY WITH DEVELOPING NATIONS IN AFRICA AND ASIA. SUCH GLOBAL INVOLVEMENT IS INEVITABLE; INEVITABLY ALSO, IT CREATES NEW AND CONFLICTING PRESSURES ON MORE TRADITIONAL FRIENDSHIPS.

THE CHALLENGE OF ECONOMIC DEVELOPMENT HAS BECOME A WORLDWIDE CONCERN AND IS BEING ADDRESSED ON A GLOBAL, AND NOT SIMPLY HEMISPHERIC BASIS. VENEZUELA IS NOW CO-CHAIRMAN OF THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION AND HAS DISCHARGED THIS RESPONSIBILITY WITH GREAT WISDOM. SIMILARLY, THE ENRGIES OF THE UNITED STATES ARE INCREASINGLY FOCUSED ON INTERNATIONAL ORGANIZATIONS AND ISSUES OF GLOBAL SCOPE. WE HAVE MADE MAJOR AND COMPREHENSIVE PROPOSALS TO THE UN GENERAL ASSEMBLY SPECIAL SESSION, THE WORLD FOOD CONFERENCE, AND THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION. RECENT EVENTS HAVE TAUGHT US ALL THAT GLOBAL PROSPERITY IS INDIVISIBLE; NO NATIONAL CAN PROSPER ALONE.

FINALLY, THE UNITED STATES CONTINUES IN THIS ERA TO FEEL A SPECIAL CONCERN FOR ITS HEMISPHERIC RELATIONS. OUR PROFOUND CONVICTION IS THAT IF WE CANNOT HELP TO SOLVE THE BURNING ISSUES OF PEACE AND PROGRESS WITH THOSE WITH WHOM WE HAVE SUCH LONG-STANDING TIES OF SENTIMENT AND EXPERIENCE OF COLLABORATION, WE HAVE LITTLE HOPE OF HELPING TO SOLVE THEM ELSEWHERE. TO PUT IT POSITIVELY, WE FEEL STRONGLY THAT OUR COOPERATION AS EQUALS IN THIS HEMISPHERE CAN BE A MODEL FOR COOPERATION IN THE WORLD AREANA. THE CHALLENGE WE FACE IS THAT WE MUST RECONCILE THESE DISTINCT BUT INTERSECTING DIMENSIONS
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OF CONCERN. WE MUST DEFINE ANEW THE NATURE AND PURPOSES OF OUR HEMISPHERIC CONDITION. WE MUST UNDERSTAND ITS MEANING AND ITS PROMISE. WE MUST ADAPT IT TO OUR NEW GLOBAL CONDITION. WE MUST SUMMON IT, DEVELOP IT, AND USE IT FOR OUR COMMON OBJECTIVES.

THE UNITED STATES VALUES ITS BILATERAL TIES WITH YOUR COUNTRIES, WITHOUT ANY INTENTION OF PURSUING THEM IN ORDER TO BREAK UP YOUR

REGIONAL SOLIDARITY. WE WANT TO PRESERVE OUR HEMISPHERIC TIES AND ADAPT THEM TO THE MORAL IMPERATIVES OF THIS ERA, WITHOUT HEGEMONY, FREE OF COMPLEXES, AIMED AT A BETTER FUTURE.

ALL THE NATIONS OF THE HEMISPHERE ARE MATURE COUNTRIES. THE VARIETY OF INTERSECTING RELATIONSHIPS AND CONCERNS REFLECTS THE VITALITY OF OUR NATIONS AND THE INCREASINGLY IMPORTANT ROLES WE PLAY IN THE WORLD. WE IN THE AMERICAS ARE GRANTED BY HISTORY A UNIQUE OPPORTUNITY TO HELP FASHION WHAT YOUR FOREIGN MINISTER HAS CALLED A "NEW EQUILIBRIUM" AMONG ALL NATIONS.

DIALOGUE AND PROGRESS

THE EXPERIENCE OF OUR RECENT PAST HAS MUCH TO TEACH US. DURING THE EARLY 1960'S, THE ALLIANCE FOR PROGRESS STIMULATED GREAT EXPECTATIONS OF RAPID DEVELOPMENT. THE ENTHUSIASM WITH WHICH OUR COUNTRIES EMBRACED THE ALLIANCE CHARTER CLEARLY EXCEEDED OUR COLLECTIVE PERSISTENCE AND UNDERSTATED THE MAGNITUDE OF THE CHALLENGE. BUT GREAT HUMAN AND FINANCIAL RESOURCES WERE MOBILIZED; NEW INSTITUTIONS WERE CREATED THAT REMAIN BASIC INSTRUMENTS FOR COOPERATION. AND ULTIMATELY THE ALLIANCE LEFT AN EVEN GREATER MORAL IMPRINT. BY THE END OF THE 1960'S, INTERNAL DEVELOPMENT AND SOCIAL CHANGE HAD BECOME AN IMPERATIVE FOR ALL GOVERNMENTS IN LATIN AMERICA, REGARDLESS OF POLITICAL COLORATION. THE UNITED STATES IS PROUD OF ITS CONTRIBUTION.

IN THIS DECADE, THIS HEMISPHERE HAS BEEN SWEEPED UP IN THE TIDES OF THE GLOBAL ECONOMY THAT NOW HAVE AN INCREASING SIGNIFICANCE TO OUR NATIONAL PLANS AND EXPECTATIONS.

AT VINA DEL MAR IN 1969, THE NATIONS OF LATIN AMERICA STAKED OUT A NEW AGENDA OF ISSUES REFLECTING WHAT WE HAVE SINCE COME TO CALL INTERDEPENDENCE--THE CONDITIONS OF WORLD TRADE, MULTINATIONAL CORPORATIONS, AND TECHNOLOGY TRANSFER--AS WELL AS MORE TRADITIONAL

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ISSUES SUCH AS ECONOMIC ASSISTANCE. IN THE SPIRIT OF INTER-AMERICAN COOPERATION, THE UNITED STATES ATTEMPTED TO RESPOND. MY GOVERNMENT ENDORSED, AND WORKED FOR, MEASURES TO IMPROVE LATIN AMERICA'S ACCESS TO OUR MARKETS AND THOSE OF OTHER INDUSTRIAL COUNTRIES, TO IMPROVE THE FLOW OF PRIVATE CAPITAL, TO REFORM THE INTER-AMERICAN SYSTEM AND TO ENSURE CONSIDERATION FOR LATIN AMERICAN CONCERNS IN INTERNATIONAL FORUMS.

LESS THAN A MONTH AFTER BECOMING SECRETARY OF STATE IN 1973, I CALLED FOR A NEW DIALOGUE BETWEEN LATIN AMERICA AND THE UNITED STATES TO REINVIGORATE OUR RELATIONS BY ADDRESSING TOGETHER THE NEW CHALLENGES OF AN INTERDEPENDENT WORLD. I BELIEVED THAT IN THE PAST THE UNITED STATES HAD TOO OFTEN SOUGHT TO DECIDE UNILATERALLY WHAT SHOULD BE DONE ABOUT INTER-AMERICAN RELATIONS. I FELT THAT

LATIN AMERICA MUST HAVE A STAKE IN OUR POLICIES IF THOSE POLICIES WERE TO BE SUCCESSFUL. I SAID THAT WE WERE READY TO LISTEN TO ALL LATIN AMERICAN CONCERNS IN ANY FORUM.

LATIN AMERICA CHOSE TO CONDUCT THE DIALOGUE ON A STRICTLY MULTILATERAL BASIS, PRESENTING COMMON POSITIONS TO THE UNITED STATES. FIRST IN BOGOTA, THEN IN MEXICO CITY, THE AGENDA OF ISSUES THAT HAD BEEN SET OUT IN VINA DEL MAR WAS UPDATED TO ACCOUNT FOR CHANGED CIRCUMSTANCES AND NEW CONCERNS. AT TLATELOLCO, AND AGAIN IN WASHINGTON, I JOINED MY FELLOW FOREIGN MINISTERS IN INFORMAL MEETINGS, SUPPLEMENTING OUR REGULAR ENCOUNTERS IN THE OAS AND UNITED NATIONS. A THOROUGH AND HEARTENING DIALOGUE TOOK PLACE. FOR THE NEXT TWELVE MONTHS, UNITED STATES AND LATIN AMERICAN REPRESENTATIVES MET IN A CONTINUOUS SERIES OF POLITICAL AND TECHNICAL DISCUSSIONS. THESE MEETINGS WERE INTERRUPTED ALMOST PRECISELY A YEAR AGO, IN REACTION TO CERTAIN PROVISIONS OF THE UNITED STATES TRADE ACT OF 1974--THE VERY ACT THAT IMPLEMENTED THE SYSTEM OF GENERALIZED PREFERENCES FIRST PROPOSED IN VINA DEL MAR.

ALL OF US HAVE SOMETHING TO LEARN FROM THIS EXPERIENCE. FIRST, WE CAN NOW SEE THAT THE NEW DIALOGUE, AS IT WAS CONDUCTED, ONLY PARTIALLY MET THE PSYCHOLOGICAL REQUIREMENTS OF OUR

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FM USDEL SECRETARY IN CARACAS
TO SECSTATE WASHDC IMMEDIATE

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EXDIS

FOR S/S, S/PRS AND S/P

MODERN RELATIONSHIP.

THE UNITED STATES WAS PREPARED TO WORK WITH THE OTHER NATIONS OF THE HEMISPHERE TO IMPROVE AND PERFECT THE UNDENIABLE

COMMUNITY THAT HAS EXISTED UNDER THE NAME OF THE INTER-AMERICAN SYSTEM FOR ALMOST A CENTURY. YET THE EXPLICITNESS OF OUR APPROACH TO THE CONCEPT OF COMMUNITY LED MANY IN LATIN AMERICA TO THINK THAT THE UNITED STATES WANTED TO MAINTAIN OR CREATE A RELATIONSHIP OF HEGEMONY. THIS MISUNDERSTANDING OBSURED THE REALITY THAT THE HEMISPHERE WAS IN TRANSITION, BETWEEN DEPENDENCE AND INTERDEPENDENCE, BETWEEN CONSOLIDATION AND POLITICAL GROWTH, AND THAT THE OLD COMMUNITY BASED ON EXCLUSIVITY WAS BEING TRANSFORMED INTO A MORE OPEN COMMUNITY BASED ON MUTUAL INTERESTS AND PROBLEM SOLVING.

THE UNITED STATES, PERHAPS UNDERESTIMATING THE PSYCHOLOGICAL WEIGHT OF HISTORY, HAD CONCEIVED A DIALOGUE AS A MEANS OF ADJUSTING ITS POLICIES THROUGH COMPROMISES ARISING FROM A COMMON SEARCH FOR SOLUTIONS WITH LATIN AMERICA.

THE LATIN AMERICAN NATIONS STILL SEEMED TO THINK THAT THE UNITED STATES, WITH ITS GREAT STRENGTHS AND RESPONSIBILITIES, COULD ACT UNILATERALLY TO RESOLVE ALL ISSUES, THAT ANY COMPROMISE WAS SURRENDER, THAT LATIN AMERICA SHOULD PROPOSE AND THE UNITED STATES SHOULD RESPOND. THE UNITED STATES, ON THE OTHER HAND, LOOKED UPON DIALOGUE AS A PROLONGED PROCESS OF GIVE-AND-TAKE, IN WHICH

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PROGRESS WOULD COME INCREMENTALLY, AS OUR REPRESENTATIVES ANALYZED THE PROBLEMS AND NEGOTIATED SOLUTIONS.

LATIN AMERICA DEMANDED QUICK RESULTS: EACH MEETING BECAME A DEADLINE BY WHICH TIME THE UNITED STATES HAD TO SHOW "RESULTS" OR BE JUDGED LACKING. BUT AS ECONOMIC DIFFICULTIES BESET US ALL IN A PERIOD OF WORLD RECESSION, IT BECAME OBVIOUS THAT IF LATIN AMERICAN ASPIRATIONS WERE EXPRESSED TO THE PEOPLE OF THE UNITED STATES IN TERMS OF CATEGORICAL AND PROPAGANDISTIC DEMANDS, THEY COULD NOT ELICIT A SUFFICIENTLY POSITIVE RESPONSE.

BOTH SIDES OVERSIMPLIFIED THE NATURE OF THE PROBLEM: THE LATIN AMERICAN NATIONS DID NOT ALWAYS PERCEIVE THAT THE ISSUES WERE AMONG THE MOST DIFFICULT THAT THE INTERNATIONAL COMMUNITY HAS FACED, BECAUSE THEY GO TO THE HEART OF THE STRUCTURE AND INTERACTION OF ENTIRE SOCIETIES. THE UNITED STATES DID NOT SUFFICIENTLY TAKE INTO ACCOUNT THAT LATIN AMERICA HAD EXPERIENCED YEARS OF FRUSTRATION IN WHICH LOFTY PROMISES BY THE UNITED STATES HAD BEEN UNDONE BY THE GRADUALISM OF THE AMERICAN POLITICAL SYSTEM, WHICH RESPONDS LESS TO ABSTRACT COMMITMENTS THAN TO CONCRETE PROBLEMS. HENCE THE CHARGE OF NEGLECT ON ONE SIDE AND THE OCCASIONAL FEELING ON THE OTHER SIDE, OF BEING BESEIGED WITH DEMANDS.

BUT IF THE NEW DIALOGUE HAS NOT YET YIELDED RESULTS, IT NEVER- THE LESS EXPRESSES A CONSTRUCTIVE MODE OF DEALING WITH OUR PROBLEMS

AND REALIZING THE ASPIRATIONS OF THE HEMISPHERE. THE UNITED STATES IS PREPARED TO MAKE A MAJOR EFFORT TO INVIGORATE OUR HEMISPHERIC TIES. MY TRIP HERE UNDERLINES THAT PURPOSE.

WE HAVE LEARNED SOMETHING BASIC ABOUT THE HEMISPHERE ITSELF. IN THE PAST, BOTH THE UNITED STATES AND LATIN AMERICA HAVE ACTED AS IF THE PROBLEMS OF THE HEMISPHERE COULD BE SOLVED EXCLUSIVELY WITHIN THE HEMISPHERE. TODAY, THE AMERICAS -- NORTH AND SOUTH -- RECOGNIZE THAT THEY REQUIRE A GLOBAL AS WELL AS A REGIONAL VISION IF THEY ARE TO RESOLVE THEIR PROBLEMS. FOR THE UNITED STATES A HOMOGENEOUS POLICY TOWARD AN ENTITY CALLED "LATIN AMERICA" PRESENTS NEW PROBLEMS, IN TERMS BOTH OF GLOBAL CONCERNS AND OF THE REAL DIVERSITY OF LATIN AMERICA. NOR CAN THE BURDEN OF ADJUSTMENT TO A NEW HEMISPHERIC EQUILIBRIUM BE BORNE WHOLLY BY THE UNITED STATES. WE ARE PREPARED TO MAKE A MAJOR CONTRIBUTION, AND WE

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ARE WILLING TO COOPERATE FULLY WITH LATIN AMERICAN REGIONAL INSTITUTIONS THAT COME INTO BEING TO THIS END.

BUT BOTH SIDES NEED A NEW APPROACH. THE UNITED STATES IS PREPARED TO GIVE MORE SYSTEMATIC CONSIDERATION TO LATIN AMERICA'S QUEST FOR REGIONAL IDENTITY. ON THE OTHER HAND, LATIN AMERICA MUST OVERCOME ITS OWN APPREHENSIONS ABOUT OUR POLICIES. IN THE PAST, WHENEVER WE EMPHASIZED THE REGIONAL ASPECTS OF OUR RELATIONSHIPS, WE HAVE BEEN ACCUSED OF FORCING PROBLEMS INTO AN INTER-AMERICAN SYSTEM WHICH WE DOMINATED; WHEN WE EMPHASIZED THE BILATERAL MODE, WE WERE ACCUSED OF A POLICY OF DIVIDE AND RULE. EACH SIDE MUST UNDERSTAND THE PROBLEMS AND PURPOSES OF THE OTHER.

WE THUS ALL KNOW OUR CHALLENGE. WE MUST NOW TURN IT INTO OUR OPPORTUNITY. AS FAR AS THE UNITED STATES IS CONCERNED, WE ARE PREPARED TO MAKE A MAJOR EFFORT TO BUILD UPON OUR HISTORIC TIES A COOPERATIVE EFFORT TO CONSTRUCT A BETTER FUTURE.

INTERDEPENDENCE AND OUR COMMON FUTURE:
WHERE DO WE GO FROM HERE? WHAT IS THE ANSWER? WHEREIN LIES THE PURPOSE OF OUR RELATIONSHIP IN THE MODERN ERZ?

OUR STARTING POINT MUST BE TO RECOGNIZE THAT AN ERA OF INTERDEPENDENCE MAKES COLLABORATIVE ENDEAVOR MORE, NOT LESS IMPORTANT, TO ANY COUNTRY THAT WISHES TO PRESERVE CONTROL OVER ITS OWN NATIONAL DESTINY.

WE IN THIS HEMISPHERE WON OUR GLORY IN FIGHTING FOR NATIONAL INDEPENDENCE AND DEFENDING IT IN THE FACE OF FOREIGN THREATS; WE HAVE BUILT SOCIETIES EMBODYING THE TRADITION OF DEMOCRACY; WE HAVE DEDICATED OUR HUMAN ENERGIES TO THE DEVELOPMENT OF OUR NATURAL RESOURCES, WITH IMPRESSIVE RESULTS.

YET EVEN AS WE CELEBRATE OUR BIRTH AS NATIONS AND OUR CENTURIES OF ACHIEVEMENT, WE ENCOUNTER A NEW CHALLENGE TO OUR INDEPENDENCE. IT COMES NOT FROM FOREIGN ARMIES, BUT FROM GAPS AND STRAINS REVEALED WITHIN THE VERY INTERNATIONAL ECONOMIC SYSTEM THAT EACH OF OUR NATIONS, IN ITS OWN WAY, HAS DONE MUCH TO CREATE.

SINCE THE ENLIGHTENMENT, WHICH PRODUCED THE FAITH IN REASON AND CONFIDENTIAL

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PROGRESS THAT INSPIRED OUR REVOLUTIONS, WE HAVE ALL BELIEVED THAT THE GROWTH OF A GLOBAL ECONOMY WOULD NURTURE A WORLD COMMUNITY BRINGING UNIVERSAL ADVANCEMENT. YET NOW WE FIND THAT THE INTERNATIONAL SYSTEM OF PRODUCTION -- WHICH STILL HAS THE POTENTIAL TO PROVIDE MATERIAL PROGRESS FOR ALL -- HAS BECOME SUBJECT TO

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FM USDEL SECRETARY IN CARACAS
TO SECSTATE WASHDC IMMEDIATE

C O N F I D E N T I A L SECTION 4 OF 6 SECTO 04005

EXDIS

FOR S/S, S/PRS AND S/P

UNCERTAINTIES AND INEFFICIENCIES AND INTERNATIONAL CONFLICTS.

NOWHERE IS THIS CHALLENGE MORE VIVID THAN IN LATIN AMERICA. WITH THE HIGHER STAGE OF DEVELOPMENT THAT YOUR ECONOMIES HAVE REACHED HAS COME THE AWARENESS OF GREATER VULNERABILITY TO FLUCTUATIONS IN EXPORT EARNINGS, TO INCREASES IN THE COSTS OF IMPORTS, AND TO THE EBB AND FLOW OF PRIVATE CAPITAL. YET YOUR MORE COMPLEX AND

MORE OPEN ECONOMIES CAN ALSO RESPOND MORE VIGOROUSLY TO, AND PROFIT MORE READILY FROM, POSITIVE TRENDS IN THE WORLD ECONOMIC SYSTEM.

INTERDEPENDENCE FOR THE AMERICAS IS THEREFORE A POSITIVE FORCE, AND AN OPPORTUNITY. WE MUST MANAGE IT, HARNESS IT, AND DEVELOP IT FOR OUR COMMON BENEFIT.

OUR ECONOMIC DILEMMAS GIVE RISE, IN OUR TIMES, TO POLITICAL IMPERATIVES. RAPIDLY CHANGING EXTERNAL EVENTS AFFECT ALL OUR PEOPLES PROFOUNDLY--THEIR LIVELIHOODS, THEIR MATERIAL STANDARDS, THEIR HOPES FOR THE FUTURE, AND MOST FUNDAMENTALLY, THEIR CONFIDENCE THAT OUR SYSTEMS OF GOVERNMENT CAN SUCCESSFULLY ENCOUNTER THE CHALLENGES BEFORE US. AND THE REQUIREMENT FOR ACTION IS POLITICAL WILL.

OUR SOCIETIES DERIVE THEIR STRENGTH FROM THE CONSENT AND DEDICATION OF OUR PEOPLES. CAN OUR DEMOCRATIC SYSTEM COPE WITH THE STRAINS OF SOCIAL CHANGE AND THE FRUSTRATIONS OF WHAT IS INEVITABLY A LONG HISTORICAL PROCESS? CAN NATIONS FIND THE WISEST PATH IN AN ERA
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WHEN OUR PROBLEMS ARE TOO VAST TO BE SOLVED BY ANY NATION ACTING ALONE? WILL WE SUCCEED TO THE TEMPTATION OF UNILATERAL ACTIONS, ADVANTAGEOUS IN THEIR APPEARANCE BUT NOT THEIR REALITY? CAN WE RECONCILE OUR DIVERSITY AND THE IMPERATIVE OF OUR COLLABORATION?

I BELIEVE WE HAVE EVERY CAUSE FOR OPTIMISM. THE REQUIREMENTS OF INTERDEPENDENCE MAKE PATENT THE GENIUS OF OUR SPECIAL HEMISPHERIC TRADITIONS, OUR VALUES, AND OUR INSTITUTIONS. PLURALISM AND RESPECT FOR THE RIGHTS OF OTHERS ARE INDISPENSABLE TO THE HARMONY OF THE INTERNATIONAL ORDER. FOR TO SEEK TO IMPOSE RADICAL CHANGES WITHOUT THE CONSENT OF ALL THOSE WHO WOULD BE AFFECTED IS TO IGNORE POLITICAL REALITY. EQUALLY, TO DENY A VOICE TO ANY WHO ARE MEMBERS OF THE INTERNATIONAL COMMUNITY IS TO ENSURE THAT EVEN POSITIVE ACHIEVEMENT WILL ULTIMATELY BE REJECTED.

THEREFORE THE TRADITIONS OF THIS HEMISPHERE--DEMOCRACY, JUSTICE, HUMAN AND NATIONAL DIGNITY, AND FREE COOPERATION--ARE PRECISELY THE QUALITIES NEEDED IN THE ERA OF GLOBAL INTERDEPENDENCE. NATIONAL UNITY WITHOUT FREEDOM IS STERILE; TECHNOLOGICAL PROGRESS WITHOUT SOCIAL JUSTICE IS CORRUPT; NATIONALISM WITHOUT A CONSCIOUSNESS OF THE HUMAN COMMUNITY IS A NEGATIVE FORCE.

THEREFORE, OUR PERMANENT QUEST FOR PROGRESS IN THIS HEMISPHERE MUST TAKE INTO ACCOUNT GLOBAL AS WELL AS REGIONAL REALITIES. IT MUST REFLECT THE DIFFERING INTERESTS OF EACH COUNTRY. AND OUR GLOBAL EFFORTS RESPECTIVELY MUST DRAW ON THE VITALITY OF OUR OWN RELATIONSHIPS AS A SOURCE OF DYNAMISM, STRENGTH, AND INSPIRATION.

THE UNITED STATES HAS ATTEMPTED TO MAKE A CONSTRUCTIVE CONTRIBUTION, IN THIS CONTEXT.

LAST SEPTEMBER IN NEW YORK, ADDRESSING THE LATIN AMERICAN FOREIGN MINISTERS ATTENDING THE UN GENERAL ASSEMBLY, I POINTED OUT THAT SEVERAL OF OUR INITIATIVES BEFORE THE SEVENTH SPECIAL SESSION HAD BEEN DESIGNED TO BE PARTICULARLY RELEVANT TO LATIN AMERICAN CONCERNS. AND I PLEDGED THAT IN THE NECESSARY NEGOTIATIONS IN OTHER FORUMS, AND IN ALL ASPECTS OF OUR RELATIONS, WE WOULD REMEMBER THAT EACH LATIN AMERICAN COUNTRY WAS DIFFERENT, AND WE WOULD BE RESPONSIVE TO THE DISTINCTIVE NATIONAL INTERESTS OF OUR CONFIDENTIAL

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FRIENDS IN THE HEMISPHERE.

MY NEW YORK COMMENTS RAISED CONTRADICTORY SPECULATIONS. THE EXPLICIT INTRODUCTION OF GLOBAL CONSIDERATIONS INTO OUR LATIN AMERICAN POLICY WAS VARIOUSLY INTERPRETED AS IMPLYING EITHER THAT THE UNITED STATES DENIED THE EXISTENCE OF A SPECIAL RELATIONSHIP WITH LATIN AMERICA, OR THAT IT SOUGHT TO BUILD ON THAT RELATIONSHIP TO CONSTITUTE A NEW BLOC IN WORLD AFFAIRS. THE RECOGNITION OF THE UNIQUENESS OF EACH COUNTRY, AND PARTICULARLY MY STATEMENT THAT "NO SINGLE FORMULA" COULD ENCOMPASS OUR DESIRE FOR WARM AND PRODUCTIVE RELATIONS WITH EACH NATION IN THE HEMISPHERE, WERE INTERPRETED BY SOME TO IMPLY THAT THE UNITED STATES WAS ABOUT TO EMBARK ON A NEW CRUSADE TO MAINTAIN ITS POWER THROUGH A POLICY OF SPECIAL BILATERAL DEALS DESIGNED TO DIVIDE THE COUNTRIES OF LATIN AMERICA AGAINST EACH OTHER AND PRECLUDE THEIR TIES WITH COUNTRIES OUTSIDE THE HEMISPHERE.

THESE SPECULATIONS REFLECT THE SUSPICIONS AND UNCERTAINTIES OF A FLUID GLOBAL ENVIRONMENT. THEY REFLECT PROBLEMS WE MUST JOINTLY OVERCOME. THEY DO NOT REFLECT UNITED STATES POLICY.

THE FUNDAMENTAL INTERESTS OF THE UNITED STATES REQUIRE AN ACTIVE AND CONSTRUCTIVE ROLE OF LEADERSHIP IN THE TASK OF BUILDING PEACE AND PROMOTING ECONOMIC ADVANCE. IN THIS HEMISPHERE, THE LEGACY OF OUR HISTORY IS A TRADITION OF CIVILIZED COOPERATION, A HABIT OF INTERDEPENDENCE, THAT IS A STURDY FOUNDATION ON WHICH TO SEEK TO BUILD A MORE JUST INTERNATIONAL ORDER. AND IT IS ABSURD TO ATTEMPT TO CREATE A BROADER WORLD COMMUNITY BY TEARING DOWN CLOSE COOPERATIVE RELATIONS THAT HAVE ALREADY EXISTED IN OUR PART OF THE GLOBE.

THEREFORE THE UNITED STATES REMAINS COMMITTED TO OUR COMMON PLEDGE AT TLATELOLCO TO SEEK "A NEW, VIGOROUS SPIRIT OF INTER-AMERICAN SOLIDARITY". THIS MUST MEAN TODAY NOT AN ARTIFICIAL UNANIMITY OR UNREALISTIC PLEAS FOR UNILATERAL ACTION. AS WE AGREED AT TLATELOLCO, INTERDEPENDENCE HAS BECOME A PHYSICAL AND MORAL

IMPERATIVE: IT IS A REALITY OF MUTUAL DEPENDENCE AND A NECESSITY
OF COOPERATION ON COMMON PROBLEMS. TO FACE REAL PROBLEMS, WE MUST
NOW DEAL EFFECTIVELY AMONG OURSELVES, WE MUST IDENTIFY OUR REAL
NEEDS AND PRIORITIES; GIVEN THE HEMISPHERE'S DIVERSITY, THAT CAN
OFTEN BE ACHIEVED BILATERALLY AND SUBREGIONALLY BETTER THAN
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REGIONALLY.

IN THIS SPIRIT OF WORKING SOLIDARITY, THE UNITED STATES PLEDGES
TO TAKE SPECIAL COGNIZANCE OF THE DISTINCTIVE REQUIREMENTS
OF THE MORE INDUSTRIALIZED ECONOMIES OF LATIN AMERICA, AND OF THE
REGION AS A WHOLE, IN OUR EFFORTS TO BUILD A MORE EQUITABLE
INTERNATIONAL ORDER. WE BELIEVE THE MAJOR LATIN AMERICAN COUNTRIES
NEED CONCESSIONAL

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FOREIGN ASSISTANCE LESS THAN THEY NEED SUPPORT FOR THEIR DRIVE
TO PARTICIPATE IN THE INTERNATIONAL ECONOMY ON A MORE EQUAL FOOTING
WITH THE INDUSTRIALIZED NATIONS. TO HELP OVERCOME FLUCTUATIONS IN
EXPORT EARNINGS AND CONTINUED IMPORT AND DEBT-SERVICING NEEDS, WE
HAVE SECURED A DEVELOPMENT SECURITY FACILITY IN THE IMF AND A
SUBSTANTIAL INCREASE IN ACCESS TO IMF RESOURCES. TO FACILITATE
ACCESS TO LONG-TERM DEVELOPMENT CAPITAL ON COMMERCIAL TERMS, WE

HAVE PROPOSED A NEW INTERNATIONAL INVESTMENT TRUST AND HAVE BEGUN A PROGRAM OF TECHNICAL ASSISTANCE TO COUNTRIES ENTERING ESTABLISHED CAPITAL MARKETS.

IN A SIMILAR VEIN, WE SUPPORT EXPANDED CAPITALIZATION OF INTERNATIONAL FINANCIAL INSTITUTIONS SUCH AS THE INTERNATIONAL FINANCE CORPORATION AND THE INTER-AMERICAN DEVELOPMENT BANK. A U.S. CONTRIBUTION OF \$2.25 BILLION TO A NEW MULTI-YEAR REPLENISHMENT OF THE INTER-AMERICAN DEVELOPMENT BANK IS NOW BEFORE THE U.S. CONGRESS. PRESIDENT FORD HAS GIVEN HIS FULL SUPPORT.

TO PROMOTE THE GROWTH AND MARKET STABILITY OF COMMODITIES OF IMPORTANCE TO LATIN AMERICA, WE FAVOR PRODUCER-CONSUMER COOPERATION IN SPECIFIC COMMODITIES, AND A REDUCTION IN THE BARRIERS TO INCREASED PROCESSING OF RAW MATERIALS IN EXPORTING COUNTRIES.

WE ARE PREPARED TO UNDERTAKE OTHER PRACTICAL STEPS:

THE NATIONS OF LATIN AMERICA HAVE SHOWN CONSIDERABLE INTEREST IN
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THE TRANSFER OF MODERN TECHNOLOGY. WE SUPPORT THIS, IN PRINCIPLE AND IN PRACTICE. THE CHALLENGE HERE, AS ELSEWHERE, IS TO DEVELOP MECHANISMS TO ACHIEVE PRACTICAL RESULTS. IT MAY BE THAT SELA CAN TURN TO THIS QUESTION AND SUGGEST THE MEANS BY WHICH WE COULD COOPERATE. WE ARE PREPARED TO RESPOND POSITIVELY.

IN ADDITION, WE MUST RECOGNIZE THAT THE PRIVATE SECTOR, PRIVATE INITIATIVE AND PRIVATE CAPITAL CAN PLAY IMPORTANT ROLES IN THE DEVELOPMENT AND APPLICATION OF NEW SCIENTIFIC AND TECHNOLOGICAL ADVANCES TO LOCAL NEEDS AND CONDITIONS. THE DEGREE TO WHICH PRIVATE CAPITAL IS PREPARED TO DEVOTE ITS CONSIDERABLE RESOURCES OF TALENT AND KNOWLEDGE TO THIS TASK WILL DEPEND ON THE CLIMATE FOR ITS PARTICIPATION. IT IS FOR THIS REASONS THAT WE STATE AGAIN OUR WILLINGNESS TO DISCUSS CODES OF CONDUCT, WHICH CAN PROVIDE GUIDELINES FOR THE BEHAVIOR OF TRANS-NATIONAL ENTERPRISES. NO SUBJECT IS MORE SENSITIVE--OR MORE VITAL--FOR THE PRIVATE SECTOR HAS PLAYED THE CRITICAL ROLE IN BRINGING ABOUT GROWTH; ITS RESOURCES EXCEED BY FAR THOSE NOW AVAILABLE FOR GOVERNMENTAL AID. YET FOR IT TO BE EFFECTIVE THE PROPER ENVIRONMENT MUST BE CREATED. THIS IS A MAJOR TEST FOR OUR COOPERATIVE EFFORTS.

TO INCREASE TRADING OPPORTUNITIES, WE NOW PERMIT MANY INDUSTRIAL PRODUCTS OF DEVELOPING COUNTRIES TO ENTER THE UNITED STATES WITHOUT DUTY. AND WE FAVOR SPECIAL AND DIFFERENTIATED TREATMENT IN THE MULTILATERAL TRADE NEGOTIATIONS THROUGH CONCENTRATION ON PRODUCTS OF INTEREST TO LATIN AMERICA. THIS IS ALREADY APPARENT IN THE TALKS WE HAVE HAD ON TROPICAL PRODUCTS. ON ALL SUCH MULTILATERAL ISSUES WE ARE PREPARED TO HAVE PRIOR CONSULTATION WITH THE NATIONS OF LATIN AMERICA.

TO MAINTAIN DIRECT ASSISTANCE TO THE NEEDIEST NATIONS IN THIS
HEMISPHERE STILL OPPRESSED BY POVERTY AND NATURAL DISASTER. THE
GREAT BULK OF OUR BILATERAL CONCESSIONAL ASSISTANCE TO LATIN
AMERICA, NEARLY \$300 MILLION ANNUALLY, IS NOW ALLOCATED TO THE
REGION'S POOREST NATIONS, TO MEET BASIC NEEDS IN HEALTH, EDUCATION
AND AGRICULTURE. AT THIS MOMENT, THE UNITED STATES HAS JOINED OTHER
COUNTRIES IN A MASSIVE RESPONSE TO THE DEVASTATING EARTHQUAKE IN
GUATEMALA. IN ADDITION, WE CONTINUE TO SUPPORT EXPANSION OF MULTI-
LATERAL CONCESSIONAL ASSISTANCE THROUGH THE FUND FOR SPECIAL
OPERATIONS OF THE INTER-AMERICAN DEVELOPMENT BANK AND THE SOFT LOAN
WINDOWS OF OTHER INTERNATIONAL FINANCIAL INSTITUTIONS ACTIVE IN
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LATIN AMERICA. THESE ACTIVITIES, SUPPLEMENTED BY NEW PROGRAMS IN
AGRICULTURAL DEVELOPMENT AND TO ASSIST BALANCE OF PAYMENTS SHORTFALLS,

MAKE AN IMPORTANT CONTRIBUTION TO OUR COMMON RESPONSIBILITY TOWARD
THE NEEDIEST.

TO SUPPORT LATIN AMERICAN REGIONAL AND SUBREGIONAL EFFORTS TO
ORGANIZE FOR COOPERATION AND INTEGRATION. THE UNITED STATES HAS
PROVIDED TECHNICAL AND FINANCIAL ASSISTANCE TO THE MOVEMENT OF
REGIONAL AND SUBREGIONAL INTEGRATION, INCLUDING THE DEVELOPMENT
BANKS OF THE ANDEAN PACT, THE CENTRAL AMERICAN COMMON MARKET AND
THE CARIBBEAN COMMON MARKET. WE ARE EAGER TO ASSIST THESE
INTEGRATION MOVEMENTS AND OTHERS THAT MAY ARISE IN THE FUTURE. IN
ADDITION, WE SEE IN SELA A NEW POSSIBILITY FOR COOPERATION AMONG
THE NATIONS OF LATIN AMERICA ON COMMON REGIONAL PROBLEMS AND
PROJECTS. WE WELCOME SELA, AND WILL SUPPORT ITS EFFORTS AT MUTUAL
COOPERATION AS ITS MEMBERS MAY DEEM APPROPRIATE.

TO NEGOTIATE ON THE BASIS OF RESPECT AND DIGNITY OUR DIFFERENCES

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NEE
ERT TEEV BOTH BILATERALS
AND, WHEN
IL APPROPRIATE UNILATERAL
MC WE INTEND TO SOLVE PROBLEMS BEFORE
THEY BECOME CONFLICTS. WE STAND READY TO CONSULT WITH OTHER
GOVERNMENTS OVER INVESTMENT DISPUTES WHEN THOSE DISPUTES THREATEN
RELATIONS BETWEEN
OVERTHROWING IBHUA
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WE WILL CONTINUE TO
ATTEMPT TO FIND SOLUTIONS TO ISSUES RELATING TO FISHERIES AND THE
SEAS WHICH HAVE COMPLICATED OUR RELATIONS IN THE PAST. IT IS THE
EARNEST HOPE OF MY COUNTRY THAT WITHIN A YEAR A TREATY OF
CARACAS WILL BE SIGNED ON THE LAW OF THE SEA.

TO ENFORCE OUR COMMITMENT TO MUTUAL SECURITY, AND THE BOLIVARIAN
IDEAL OF REGIONAL INTEGRITY AGAINST THOSE WHO WOULD SEEK TO UNDER-
MINE SOLIDARITY, THREATEN INDEPENDENCE, OR EXPORT VIOLENCE.
LAST JULY AT SAN JOSE, THE NATIONS OF THE AMERICAS AGREED UPON
REVISIONS TO THE INTER-AMERICAN TREATY OF RECIPROCAL ALLIANCE, THE
RIO TREATY.

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IN SO DOING THEY REAFFIRMED THEIR COMMITMENT TO TAKE COLLECTIVE ACTION AGAINST AGGRESSION -- WHETHER IT COMES FROM WITHOUT OR WITHIN THE HEMISPHERE. THE UNITED STATES REGARDS THIS TREATY AS A SOLEMN INTERNATIONAL OBLIGATION. WE ARE RESOLVED TO CARRY OUT THE COMMITMENT IT PLACES UPON US.

-- TO WORK TO MODERNIZE THE INTER-AMERICAN SYSTEM TO RESPOND TO THE NEEDS OF OUR TIMES, TO GIVE DIRECTION TO OUR COMMON ACTIONS. THE MEMBER STATES HAVE ALREADY TAKEN A MAJOR STEP FORWARD IN REVISING AND REAFFIRMING THE REIO TREATY. IN THE MONTHS AHEAD, THE OAS WILL BE CONSIDERING THE REPORT OF ITS SPECIAL COMMITTEE ON REFORM. MORE IS AT STAKE THAN THE TEXT OF THE CHARTER; THE MEMBER STATES ARE ALSO BEGINNING TO FOCUS ON THE STRUCTURE AND PROCESSES OF THE ORGANIZATION ITSELF. THE UNITED STATES BELIEVES THAT THE OAS HAS AN IMPORTANT FUTURE OF SERVICE TO THE HEMI-SPHERE. WE STAND READY TO WORK WITH OTHERS TO MODERNIZE AND STRENGTHEN IT, TO MAKE IT A MORE EFFECTIVE INSTRUMENT FOR REGIONAL COOPERATION.

THE APPLICATIONS OF THESE PRINCIPLES IS A MATTER OF COMMON CONCERN. WE HAVE HAD A SPECIAL RELATIONSHIP FOR 150 YEARS AND MORE; THE VERY INTIMACY OF OUR TIES IMPOSES UPON US THE DUTY OF RIGOROUS AND RESPONSIBLE SELF-ASSESSMENT. WE SHOULD SET OURSELVES CONCRETE DEADLINES - TO COMPLETE THE PROCESS BEFORE THE END OF THIS CONFIDENTIAL

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YEAR.

WE SHOULD USE THE MONTHS AHEAD CONSTRUCTIVELY AND PRODUCTIVELY. IT IS TIME THAT ALL OF US IN THE HEMISPHERE PUT ASIDE SLOGANS AND TURN FROM RHETORIC TO RESOLVE. LET US GO BEYOND THE DEBATE WHETHER THE UNITED STATES IS PATRONIZING OR NEGLECTING OR SEEKING TO DOMINATE ITS NEIGHBORS. LET US NOT DISPUTE WHETHER THE LATIN AMERICAN NATIONS ARE BEING UNREASONABLE OR PREEMPTORY OR SEEKING TO LINE UP AGAINST THEIR NORTHERN PARTNER.

INSTEAD, LET US FOCUS ON OUR GOALS AND THE NEED FOR COMMON EFFORT AND GET DOWN TO SERIOUS BUSINESS. MANY FORUMS AND FORMS ARE AVAILABLE. I PROPOSE THAT WE IDENTIFY THE MOST FRUITFUL AREAS FOR OUR COMMON EFFORT AND SET OURSELVES THE GOAL OF MAJOR ACCOMPLISHMENT THIS YEAR. AT THE OAS MEETING IN JUNE, WE CAN

REVIEW WHERE WE STAND AND DISCUSS WHAT FURTHER NEEDS TO BE DONE. AT THE LAST GENERAL ASSEMBLY, WE ADOPTED THE INFORMAL STYLE OF THE NEW DIALOGUE, SUCCESSFULLY, TO FACILITATE OPEN AND FRNK DISCUSSIONS OF MAJOR ISSUES. I PROPOSE THAT WE DO SO AGAIN, AND THAT WE CONCENTRATE, AT THIS NEXT MINISTERIAL MEETING, ON THE NATURE OF OUR FUNDAMENTAL RELATIONSHIP.

OUR COMMON PROBLEMS ARE REAL ENOUGH; A COMMON RESPONSE WILL GIVE LIVING REALITY TO THE HERITAGE AND PROMISE OF THE HEMISPHERE AND THE ENDURING TRUTH THAT THE NATIONS OF THIS HEMISPHERE DO INDEED HAVE -- AND WILL CONTINUE TO HAVE -- A SPECIAL RELATIONSHIP.

THE UNITED STATES AND VENEZUELA:
THE TIES BETWEEN THE UNITED STATES AND VENEZUELA ILLUSTRATE THE SOUND FOUNDATION UPON WHICH WE CAN BUILD. OUR DEMOCRACIES, OUR ECONOMIC STRENGTH, OUR TRADITION OF TRUST AND WORKING TOGETHER GIVE US HOPE; IT IS OUR DUTY TO GO FORWARD TOGETHER. THIS IS THE STRONG DESIRE OF MY COUNTRY.

WE HAVE SET AN EXAMPLE TOGETHER. OUR COLLABORATION IS TRADITIONAL, EXTENSIVE, INTENSIVE, AND -- PATENTLY -- MUTUALLY BENEFICIAL.

VENEZUELA IS A COUNTRY AT PEACE IN A CONTINENT AT PEACE. ITS CONSIDERABLE ENERGIES CAN HAPPILY BE DIRECTED TOWARD THE HIGHEST ASPIRATIONS OF HUMAN WELL-BEING, IN THE SPIRIT OF ITS DEMOCRATIC IDEALS. NOW THOSE IDEALS HAVE BEEN GIVEN NEW STRENGTH BY THE
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ACQUISITION OF NEW PROSPERITY AND POWER.

LAST DECEMBER IN PARIS, 27 NATIONS GATHERED IN CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION -- A MILESTONE IN THE WORLD'S STRUGGLE TO MANAGE THE CHALLENGES OF INTERDEPENDENCE.

DECISIONS IN CIEC ARE TO BE TAKEN BY CONSENSUS RATHER THAN BY MAJORITY VOTE. THE STRUCTURE OF THE CONFERENCE REFLECTS THE DIVERSITY OF NATIONS. IT IS NOT A CLUB OF THE POWERFUL: THE DEVELOPING COUNTRIES AS WELL AS THE INDUSTRIALIZED PARTICIPATE ON A FULLY EQUAL BASIS. IT IS REPRESENTATIVE, BUT NOT SO UNWIELDLY AS TO FRUSTRATE ALL PRACTICAL ACTION. IT IS A TRIBUTE TO COMMON SENSE, AND TO THE STRENGTH OF OUR COLLECTIVE COMMITMENT TO ACHIEVE REAL SOLUTIONS AND REAL PROGRESS FOR OUR PEOPLES AND FOR THE WORLD.

APPROPRIATELY, VENEZUELA -- WHOSE LEADERS HAVE LONG PROJECTED A VISION OF GREATER DEMOCRACY AMONG NATIONS AS WELL AS WITHING THEIR OWN COUNTRY -- IS NOW CO-CHAIRMAN OF CIEC.

SINCE THE EARLY DAYS OF OUR NATION WHEN FRANCISCO DE MIRANDA BEFRIENDED GEORGE WASHINGTON, VENEZUELA'S AND THE UNITED STATES'

STRUGGLE FOR LIBERTY, NATIONAL DIGNITY, AND PROGRESS HAVE BEEN INTERTWINED. ONLY A FEW MILES UP THIS COAST AT PUERTO CABELLO, THERE IS A MOUMENT TO TEN NORTH AMERICANS WHO LOST THEIR LIVES IN THE FIRST ATTEMPT BY MIRANDA TO WIN VENEZUELAN INDEPENDENCE. AND HENRY CLAY, WHOSE STATUS STANDS IN CARACAS, EXPRESSED THE ENDURING WISH OF MY NATION WHEN HE WROTE TO SIMON BOLIVAR IN 1828:"...THE INTEREST WHICH WAS INSPIRED IN THIS COUNTRY BY THE ARDUOUS STRUGGLES OF SOUTH AMERICA, AROSE PRINCIPALLY FROM THE HOPE, THAT, ALONG WITH ITS INDEPENDENCE, WOULD BE ESTABLISHED FREE INSTITUTIONS, INSURING ALL THE BLESSINGS OF CIVIL LIBERTY."

WE HAVE A RIGHT TO BE PROUD, FOR THESE HOPES ARE A LIVING REALITY. FEW SOCIETIES HAVE TRANSFORMED THEMSELVES SO PROFOUNDLY AND SO RAPIDLY AS OUR TWO COUNTRIES. AND THOSE TRANSFORMATIONS HAVE BEEN NEITHER AIMLESS NOR IDEOLOGICAL, BUT THE DYNAMIC PRODUCT OF INSTITUTIONS CREATED BY FREE PEOPLES.

THE CHALLENGE FOR BOTH OUR NATIONS NOW IS TO DRAW NEW INSPIRATION FROM THE LONG TRADITION THAT UNITES US, TO BRING INTO HARMONY THE
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DIVERSE ROLES WE ARE DESTINED TO PLAY IN WORLD AFFAIRS. THERE IS LITTLE WE CAN ACCOMPLISH APART; THERE ARE TREMENDOUS THINGS WE CAN ACHIEVE TOGETHER.

VENEZUELA AND THE UNITED STATES HAVE BUILT AN ECONOMIC RELATIONSHIP THAT IS STURDY AND VALUABLE TO BOTH SIDES-- AND IS INCREASINGLY SO. VENEZUELA HAS FOR DECADES BEEN AN IMPORTANT AND RELIABLE SUPPLIER OF ENERGY TO THE UNITED STATES--THROUGH WORLD WAR II AND THE RECENT OIL EMBARGO. THE UNITED STATES PRIVATE SECTOR HAS PARTICIPATED ACTIVELY IN THE DYNAMIC GROWTH OF THE VENEZUELAN ECONOMY.

WE RECOGNIZE THAT WE AFTEN HAVE DIFFERING PERSPECTIVES AND DIFFERING INTERESTS. AT TIMES, THE FERVOR OF OUR RESPECTIVE CONVICTIONS HAS LED US TO DISAGREE EVEN WHEN OUR INTERESTS BASICALLY COINCIDED. VENEZUELA AND THE UNITED STATES CAN DEBATE WITHOUT CONFRONTATION. WE CAN DISCUSS WITHOUT RANCOR, AS FRIENDS. AND MOST IMPORTANTLY WE CAN PURSUE OUR RESPECTIVE GOALS WITH A DIGNITY BORN OF MUTUAL RESPECT.

LIKE A MASTERPIECE BY SOTO OR OTERO, OUR RELATIONSHIP IS THEREFORE A SHIMMERING AND CHANGING PATTERN OF REALITY. MY DISCUSSIONS WITH YOUR DISTINGUISHED PRESIDENT CARLOS ANDRES PEREZ AND FOREIGN MINISTER ESCOVAR HAVE CONVINCED ME THAT THE FARSIGHTED PROPHECY OF THE LIBERATOR SPEAKS FOR BOTH OUR COUNTIRES. BOLIVAR ENVISIONED A WORLD "IMBIBING THE AMERICAN PRINCIPLES AND SEEING THE EFFECTS OF LIBERTY ON THE PROSPERITY OF THE AMERICAN PEOPLS..."

WE HAVE IT IN OUR POWER TO TRANSFORM SUCH A WORLD FROM A DREAM

INTO A PRACTICAL REALITY. ALL GREAT ACHIEVEMENTS BEGAN AS DREAMS.
WITH REALISM, REASON, AND THE WILL TO WORK TOGETHER, WE CAN
ENSURE THAT THE DREAMS OF BOLIVAR AND JEFFERSON, OF MIRANDA AND
WASHINGTON, WILL ENDURE--FOR OUR TWO COUNTRIES, FOR THE HEMIS-
PHERE, AND FOR ALL MANKIND.
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